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The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS MARCH 1988

SHIPMENTS DECLINE 1.4 PERCENT

Total industry net shipments for January 1988, estimated at 1,248 million pounds, were down 1.4 percent from the January 1987 total of 1,265 million pounds.

Domestic shipments of 1,150 million pounds were down 3.1 percent over the January 1987 total of 1,187 million pounds.

Exports of ingot and mill products of 98.1 million pounds were up 25.5 percent from January 1987 while imports declined 9.6 percent for the same period.

JANUARY 1988

	1988 Jan.	1987 Jan.	% Change
Mill Products	987	1,010	-2.3
Ingot	261	255	2.3
Total	1,248	1,265	-1.4
Less Exports	98	78	25.5
Domestic Total	1,150	1,187	-3.1

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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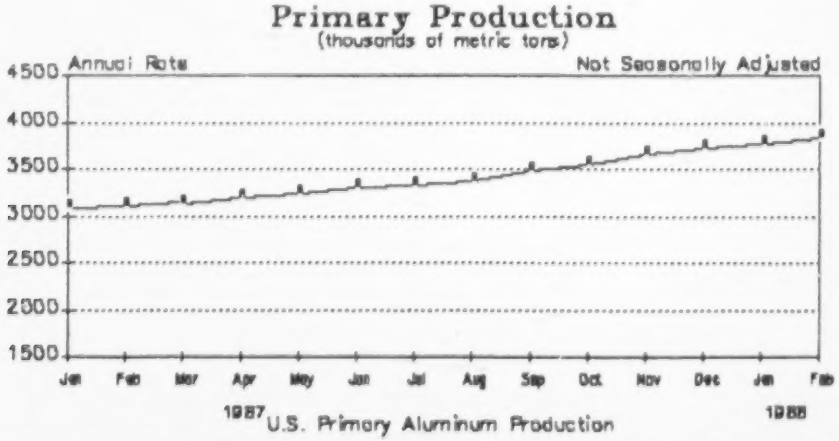
PRIMARY PRODUCTION CONTINUES TO INCREASE

U.S. primary aluminum production averaged 10,505 metric tons daily during February 1988. This compares with an average of 8,482 metric tons a day in February 1987 and 10,310 metric tons a day in January 1988. The annual rate of production in February 1988 was 3,844,981 metric tons compared with 3,096,021 metric tons in February 1987 and 3,773,484 metric tons in January 1988. Actual production in February 1988 was 304,657 metric tons.

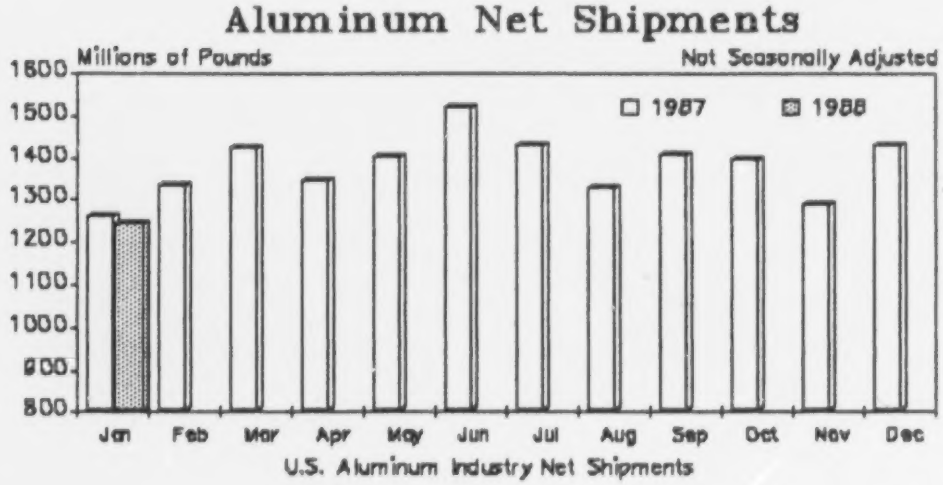


Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

JANUARY INDUSTRY NET SHIPMENTS DOWN 1.4 PERCENT

Estimated total industry net shipments of 1,248 million pounds for the January 1988 declined 1.4 percent from the January 1987 total of 1,265 million pounds. January exports of 98 million pounds were up 25.5 percent. January 1988 domestic shipments of 1,150 million pounds were down 3.1 percent from a year ago.

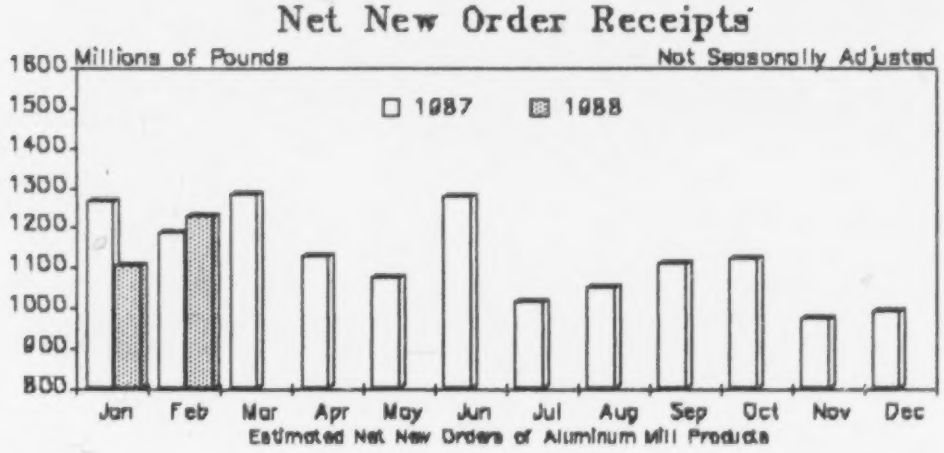


NET SHIPMENTS (Millions of Pounds)	1988 January	1987 January	1988 1 Mo.	1987 1 Mo.	% Change 1988 vs 1987
Sheet	513.7	530.3	513.7	530.3	-3.1
Plate	22.6	23.7	22.6	23.7	-4.4
Foil	69.5	71.4	69.5	71.4	-2.8
Rod,Bar & Wire	34.4	28.5	34.4	28.5	21.0
Elec. Conductor	48.9	44.8	48.9	44.8	9.2
Extruded Shapes,Tube	201.8	213.8	201.8	213.8	-5.6
Powder & Paste	5.8	6.1	5.8	6.1	-4.1
Forgings & Impacts	13.4	12.3	13.4	12.3	9.2
Net Imports of Mill Products (Total) (a)	76.5	79.0	76.5	79.0	-3.2
Total Mill Products	986.7	1,009.8	986.7	1,009.8	-2.3
Ingot (b)	261.0	255.1	261.0	255.1	2.3
TOTAL INDUSTRY SHIPMENTS	1,247.7	1,264.9	1,247.7	1,264.9	-1.4
Exports	98.1	78.1	98.1	78.1	25.5
TOTAL DOMESTIC SHIPMENTS	1,149.6	1,186.8	1,149.6	1,186.8	-3.1

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

FEBRUARY NET NEW ORDER RECEIPTS UP 11.4 PERCENT

Estimated net new order receipts of aluminum mill products for February 1988 of 1,232 million pounds jumped by 11.4 percent versus January 1988. Total net new orders of aluminum mill products for the first two months of 1988 of 2,339 million pounds declined 4.7 percent over the same period of 1988 orders.



ORDER RECEIPTS
(Millions of Pounds)

	1988 February	1987 February	1988 2 Mos.	1987 2 Mos.	% Change 1988 vs 1987
Sheet & Plate, Other	425.4	545.0	800.8	1,009.7	-20.7
Can Stock	378.4	235.5	736.8	666.9	10.5
Foil	106.7	79.9	188.0	156.3	20.3
Bar, Rod & Wire	29.6	35.1	84.0	59.7	40.7
Electrical Conductor	64.2	51.6	116.9	101.6	15.1
Extruded Shapes & Tube	207.5	216.6	372.8	411.4	-9.4
Powder & Paste	9.6	11.4	18.6	20.0	-7.0
Forgings & Impacts	10.7	12.6	20.7	29.5	-29.8
Total Mill Products	1,232.1	1,187.7	2,338.6	2,455.1	-4.7

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES INCREASE 170 MILLION POUNDS

Estimated producer inventories increased in January 1988 to a total of 4,345 million pounds. This represents a 170 million pound increase from the December 1987 level of 4,175 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
Oct 87	4,213	1,424	590	2,198
Nov 87	4,247	1,399	617	2,232
Dec 87	4,175r	1,466r	587r	2,123r
Jan 88	4,345	1,515	552	2,279

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Revised

CUSTOMER INVENTORIES REPORTED AT 36.7 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of January 31, 1988 was 36.7, up 1.7 percent from December 1987.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

Oct 87	34.7
Nov 87	35.6
Dec 87	36.1
Jan 88	36.7

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports
(Millions of Pounds)

		1988 January	1987 January	1988 1 Mo.	1987 1 Mo.	% Change 1988 vs 1987
Imports	Mill Products	79.6	82.5	79.6	82.5	-3.5
	Ingot	222.3	251.3	222.3	251.3	-11.6
	Total	301.9	333.8	301.9	333.8	-9.6
	Scrap (+ dross)	32.4	45.1	32.4	45.1	-28.3
	Grand Total	334.2	379.0	334.2	379.0	-11.8
Exports	Mill Products	57.4	44.1	57.4	44.1	30.1
	Ingot	40.7	34.0	40.7	34.0	19.7
	Total	98.1	78.1	98.1	78.1	25.5
	Scrap	49.0	59.4	49.0	59.4	-17.5
	Grand Total	147.1	137.6	147.1	137.6	7.0
Net Imports		187.1	241.4	187.1	241.4	-22.5

Source: Bureau of the Census, U.S. Department of Commerce.